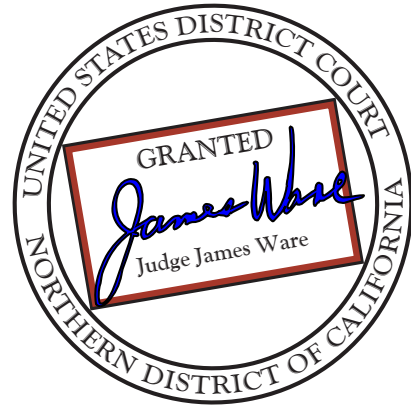


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and CHILD DEVELOPMENT CENTERS



UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

CHILD DEVELOPMENT
INCORPORATED; CONTINUING
DEVELOPMENT INCORPORATED;
CHILD DEVELOPMENT CENTERS,

Plaintiffs,

vs.

FOUNDATION INSURANCE
COMPANY; INSERVE CORPORATION;
TARHEEL INSURANCE
MANAGEMENT COMPANY;
CLARENDON NATIONAL INSURANCE
COMPANY,

Defendants.

Case No. C 04-1909 JW

STIPULATION AND ~~PROPOSED~~
ORDER RE CONTINUANCE OF
SCHEDULING CONFERENCE

Complaint Filed: 5/14/04

The parties hereby stipulate and agree as follows:

1. On June 6, 2006 the parties participated in a full-day mediation with Judge Richard Silver (Ret.) of JAMS serving as mediator. Although a settlement has not been reached the parties continue to explore settlement with the assistance of Mediator Silver, and have agreed to hold matters in abeyance for 30 days.

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2. In view of the foregoing, the parties propose that the June 19, 2006
Scheduling Conference be continued for 45-60 days.

Dated: June 15, 2006

ROGERS JOSEPH O'DONNELL & PHILLIPS

/s/
By: _____

PAUL M. ZIEFF
Attorneys for Plaintiffs

CHILD DEVELOPMENT
INCORPORATED, CONTINUING
DEVELOPMENT INCORPORATED, and
CHILD DEVELOPMENT CENTERS

Dated: June ___, 2006

FOLEY & LARDNER LLP

By: _____
EILEEN RIDLEY

Attorneys for Defendant
CLARENDON NATIONAL
INSURANCE COMPANY

Dated: June ___, 2006

LEWIS BRISBOIS BISGAARD & SMITH LLP

By: _____
MICHAEL K. JOHNSON

Attorneys for Defendants INSERVE
CORPORATION, TARHEEL
INSURANCE MANAGEMENT
COMPANY and FOUNDATION
INSURANCE COMPANY

IT IS SO ORDERED.

Dated: _____, 2006

UNITED STATES DISTRICT JUDGE

2. In view of the foregoing, the parties propose that the June 19, 2006
Scheduling Conference be continued for 45-60 days.

Dated: June __, 2006

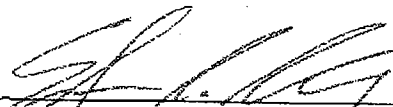
ROGERS JOSEPH O'DONNELL & PHILLIPS

/s/
By: _____
PAUL M. ZIEFF
Attorneys for Plaintiffs

CHILD DEVELOPMENT
INCORPORATED, CONTINUING
DEVELOPMENT INCORPORATED, and
CHILD DEVELOPMENT CENTERS

Dated: June 16, 2006

FOLEY & LARDNER LLP

By: 
EILEEN RIDLEY
Attorneys for Defendant
CLARENDON NATIONAL
INSURANCE COMPANY

Dated: June __, 2006

LEWIS BRISBOIS BISGAARD & SMITH LLP

By: _____
MICHAEL K. JOHNSON
Attorneys for Defendants INSERVE
CORPORATION, TARHEEL
INSURANCE MANAGEMENT
COMPANY and FOUNDATION
INSURANCE COMPANY

IT IS SO ORDERED.

Dated: _____, 2006

UNITED STATES DISTRICT JUDGE

2. In view of the foregoing, the parties propose that the June 19, 2006 Scheduling Conference be continued for 45-60 days.

Dated: June __, 2006

ROGERS JOSEPH O'DONNELL & PHILLIPS

/s/

By: _____

PAUL M. ZIEFF
Attorneys for Plaintiffs

CHILD DEVELOPMENT
INCORPORATED, CONTINUING
DEVELOPMENT INCORPORATED, and
CHILD DEVELOPMENT CENTERS

Dated: June __, 2006

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By: _____

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Dated: June 15, 2006

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INSURANCE MANAGEMENT
COMPANY and FOUNDATION
INSURANCE COMPANY

IT IS SO ORDERED.

In light of the parties' stipulation, the case management conference presently scheduled for June 19, 2006 is continued to September 11, 2006 at 10 a.m.

Dated: June 16, 2006


UNITED STATES DISTRICT JUDGE